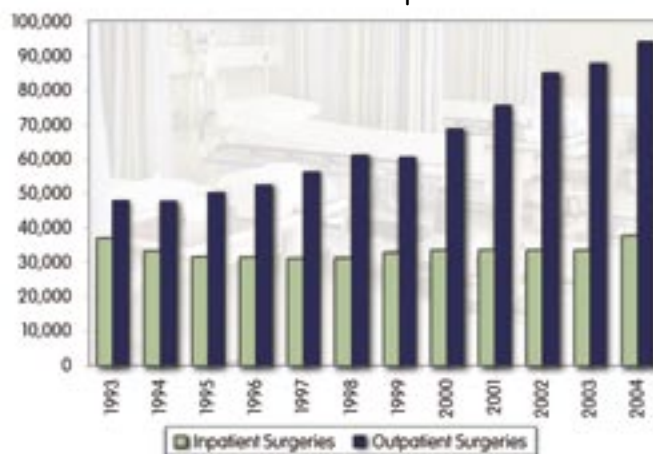


Introduction

Since the 1960s, New Hampshire's population has more than doubled. The wave of baby boomers is aging and this fact is driving an increasing demand on medical care facilities in the state. A growing trend of health insurance plans shifting from point of service to managed care and health maintenance organizations has called for changes in the way medical facilities provide patient care. Inpatient stays for care are declining. National data show that the average length of a hospital stay in 1988 was 7.3 days and that dropped to 5.0 days by 1999.³ Cost management controls, alternative forms of health care organizations and payments, improvements to pharmaceutical treatments, and the increase in ambulatory or same-day surgeries all contribute to the growing demand for outpatient services.⁴ Also, technological innovation has dramatically expanded patient expectations for diagnostic equipment and services, which require additional space. Changes in privacy laws, especially the Health Insurance Portability and Accountability Act of 1996, HIPAA, set national standards for electronic health care transactions and national identifiers for providers, health plans, and employers. It also addressed the security and privacy of patients and their health records.⁵ These new policies have motivated facilities to provide treatment in secure settings, to the benefit of addressing both privacy issues as well as reducing infection rates, for example housing inpatients in private rooms rather than semi private rooms.

In recent years, hospital facilities and surrounding physicians' offices have combined resources to better serve the communities with their expanded capabilities.⁶ The current healthcare environment has many administrative stipulations and documentation requirements. Because of these requirements for maintaining the high level of medical services as well as handling the volumes of paperwork, medical providers have found that combining healthcare facilities is becoming more effective and efficient than functioning independently.⁷ This process merged the capabilities and expanded the service areas of many of the smaller offices and hospitals, as well as reducing some of the mountains of paperwork and documentation for smaller physicians' offices.

Inpatient Surgeries vs. Outpatient Surgeries in New Hampshire



Source: New Hampshire Hospital Association

³ National Center for Health Statistics, 2001 News Release- Hospital Stays Grow Shorter Heart Disease Leading Cause of Hospitalization. Tuesday, April 24, 2001. <www.cdc.gov/nchs/pressroom/01news/99hospit.htm>. Accessed 8/26/2006.

⁴ IBID

⁵ U.S. Department of Health and Human Services. Centers for Medicare and Medicaid Services. HIPAA - General Information. <www.cms.hhs.gov/HIPAAgenInfo/>. Accessed 9/1/2006.

⁶ LRGHealthcare, <www.lrg.org/>. Accessed 8/26/2006.

⁷ LRGHealthcare - Media Center, Laconia Clinic and Lakes Region General Hospital Announce New Affiliation. September 30, 2004. <www.lrg.org/media_center/pr_10012004.htm>. Accessed 9/1/2006.

Hospital Construction Projects in New Hampshire

In light of improved technologies, aging equipment, and enhanced capabilities of drug therapies, combined with growing demands of the maturing population, facilities have to invest in capital improvements to maintain the increasing level of services demanded by their communities.

Covered Employment

The economic structure has steadily been shifting to an economy where employment in service-related industries is increasing faster than employment in goods-producing industries.

Employment in health care related industries, a service-providing anchor, has grown especially during the last decade and a half. Two industry subsectors in New Hampshire's *Health care and social assistance* sector are *Ambulatory health care services* and *Hospitals* in the North American Industry Classification System (NAICS).⁸ Combined, these two subsectors have made up between 65 and 70 percent of the sector's employment from 1990 through 2005.

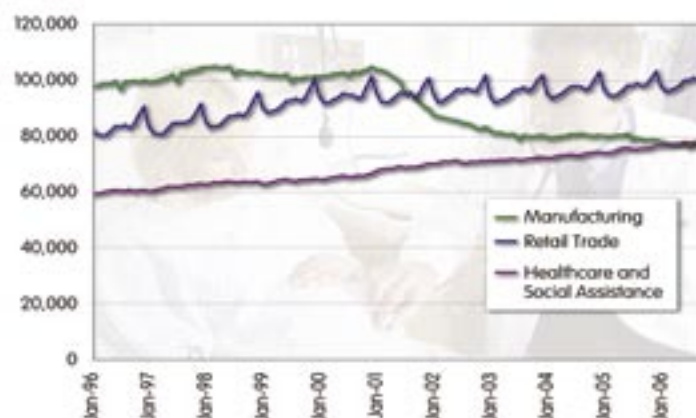
From 1990 to 2004, hospital employment in the state grew 30.5 percent to roughly 24,000 workers. However, the 2004 - 2014 *New Hampshire Employment Projections*⁹ estimate that *Hospitals* should continue to grow by more than 4,000 jobs through 2014, a 17.3 percent increase.

This employment increase comes in response to the growing needs of the communities. The physical growth of hospitals, although more visible than the expanding employment numbers, is typically the lagging result of the increasing medical demands of an area. Construction projects can be seen around the state as hospitals try to keep up with their expanding population and the associated needs that their communities represent.

⁸ The North American Industry Classification System (NAICS) is a numbering system whereby each employer is assigned a NAICS subsectors, and industry groups.

⁹ *New Hampshire Employment Projections, by Industry and Occupation, Base Year 2004 to Projected Year 2014*, New Hampshire Employment Security, Economic and Labor Market Information Bureau, July 2006

Manufacturing, Retail Trade, and Health Care and Social Assistance Employment in New Hampshire



North American Industry Classification System

Code	Industry
62	Health Care and Social Assistance
621	Ambulatory Health Care Services
622	Hospitals
623	Nursing and Residential Care Facilities